

# ROUTING AND RECORD SHEET

JECT: (Optional)

Proposed Memo to SA/DCI for Compartmentation, Subject: APEX - A Single System

FROM:

Chief, PMS/OL

EXTENSION

NO.

DATE

9 October 1980

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

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C/SS/OL

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C/PMS/OL

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D/L

15 OCT 1980

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John:

Dan has asked that we prepare a consolidated reply for Jim McDonald on the attached draft ☐ memo. From a contractual standpoint, I have made some observations. Any thoughts you have on my remarks would be appreciated. Please include your thoughts on other paragraphs as you see them.

Paras 1 - 5: No comment.

Para 6: The use of one cognizant government agency to conduct security surveys, no matter how many agencies share their APEX Control Facility (unless it is CIA) is a significant change from existing operating procedures. Undoubtedly the monitoring agency would need copies of statements of work as well as our contracts. We have successfully protected our operating methods for our entire existence. A major part of that success is based on the fact that we do not permit third-party privity to our contracts. We have held the line on this policy, relying on the Director's statutory responsibility to support our position. Even the GAO has recognized the validity of this position and does not review CIA contracts. We think this area must be carefully considered before moving into a system that would open up our contracts to third-party privity.

Para 7: No comment. (Cont'd)

FORM 3-62

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USE PREVIOUS EDITIONS

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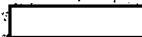
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Para 8: We concur with the thought that the least common denominator is a very real problem, particularly in the contractual area.

1 to 3:



Re: para 6. Uniformity, as it applies to standards, is not necessarily reconcilable with the concept of single cognizance. Uniformity of standards is desirable and achievable. The idea of limiting security surveys of a contractor's facility to one government agency means that the other agency(s) relinquishes a certain measure of its responsibility for the protection of the classified information which may be involved. It is, therefore, in conflict with certain Agency concepts with respect to authority and responsibility, command and control, not to mention the oft repeated belief that "security follows the contract". I do not believe this Agency is prepared to entertain any notion of relinquishing its responsibility for protecting its activities and contractors need to be disabused of the idea. The achievement of uniform standards should be the major goal.

The other issues as discussed are, in the main, for consideration by OS.